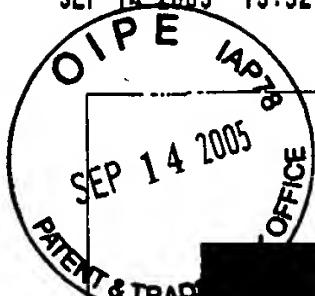


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FACSIMILE TRANSMITTAL

DATE: September 14, 2005

RE: U.S. Patent Application No. 09/679,262

TO: Mail Stop Issue Fee

FILED: October 4, 2000

PAX: 571-273-2885

FOR: ELECTRONIC COMMERCE USING OPTICAL
INPUT DEVICE

FROM: William Y. Conwell

ART UNIT: 3625

PAGES: 3 (including this page)

DOCKET NO.: 60304L

Urgent

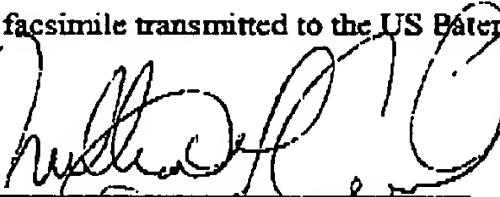
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FACSIMILE COVER LETTER

Attached is an Issue Fee payment transmittal letter with deposit account authorization to deposit account number 50-3284 and Statement Responding to Reasons for Allowance for the above referenced matter.

CERTIFICATE OF FAXING

I hereby certify that these papers are being facsimile transmitted to the US Patent Office, 571-273-2885 on September 14, 2005.

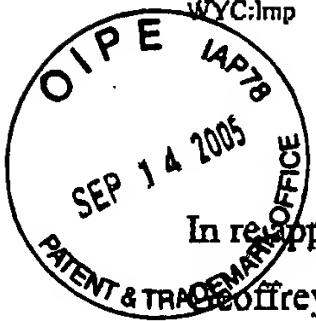

William Y. Conwell, Reg. No. 31,943
Attorney for Applicant

If you do not receive all pages or if you have problems receiving transmittal, please call us at 503-469-4658.

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WYC:Imp 09/14/05 60304L

PATENT



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In reapplication of:

Jeffrey B. Rhoads

Application No.: 09/679,262

Filed: October 4, 2000

For: ELECTRONIC COMMERCE
USING OPTICAL INPUT
DEVICE

Examiner: M. Fadok

Date: September 14, 2005

Art Unit 3625

Conf. No.: 7124

CERTIFICATE OF FAXING

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273-2885 on September 14, 2005.William Y. Conwell, Reg. No. 31,943
Attorney for ApplicantSTATEMENT RESPONDING TO REASONS FOR ALLOWANCE

Mail Stop ISSUE FEE
 COMMISSIONER FOR PATENTS
 P.O. Box 1450
 Alexandria, VA 22313-1450

Sir:

This statement is filed pursuant to 37 C.F.R. 1.104(e) ("Reasons for Allowance"), and is responsive to the Examiner's statement of reasons for the indication of allowable subject matter in the Notice of Allowability dated June 14, 2005.

Applicant respectfully submits that the allowability of the claims does not hinge on isolated elements thereof. Rather, the claims are believed patentable because, when viewed as a whole, they define combinations that are neither anticipated by, nor obvious over, the prior art.

Date: September 14, 2005

CUSTOMER NUMBER 23735

Phone: 503-469-4800
FAX 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By _____

William Y. Conwell
Registration No. 31,943